

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

<b>In re:</b>	§	
	§	
<b>EARTH ENERGY RENEWABLES, LLC,</b>	§	<b>CASE NO. 20-51780-RBK</b>
	§	
<b>DEBTOR</b>	§	<b>CHAPTER 11</b>
	§	<b>SUBCHAPTER V</b>

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**DECLARATION OF JEFFREY R. MANNING, CTP, IN SUPPORT OF TRUSTEE'S ASSET  
SALE UNDER SECTION 363 OF THE BANKRUPTCY CODE AND SUMMARY OF  
MARKETING PROCESS**

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I, Jeffrey R. Manning, CTP, hereby declare:

1. I am a Managing Director of CohnReznick Capital Market Securities, LLC (“**CRC**”), a limited liability company, investment bank, and FINRA member firm, with offices located at 500 East Pratt Street, Baltimore, MD 21202. To provide investment banking services as required by SEC and FINRA Rule 1032(a), I am qualified as a General Securities Representative (S7), an Investment Banking Representative (S79),<sup>1</sup> and as a General Securities Principal (S24) under FINRA licenses. I also hold the Certified Turnaround Professional designation. CRC is the affiliated investment banking subsidiary of CohnReznick, LLP.

2. I make this Declaration in further support of the motion (“**Motion**” or “**Bidding Procedures Motion**”),<sup>2</sup> pursuant to 11 U.S.C. § 363, to sell substantially all of the assets (the “**Assets**”) of the above-referenced subchapter V debtor, Earth Energy Renewables, LLC (“**EER**” or “**Debtor**”), and to advise the Court of the results of the marketing process (the “**Sale Process**”) executed at the direction of Eric Terry, the subchapter V trustee (“**Trustee**”) that CRC initiated on March 5, 2021.

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<sup>1</sup> Because of my years of experience, I was “grandfathered in” for the S79.

<sup>2</sup> ECF No. 205.

### **BACKGROUND**

3. On October 20, 2020, (the “**Petition Date**”), the Debtor commenced the above-captioned case (the “**Chapter 11 Case**”) by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Western District of Texas.

4. The Debtor developed a novel, simple, and low-cost process for converting low value bio-degradable organic wastes into high value bio-chemicals. This design and technology, in combination with proprietary extraction, has undergone further validation at its currently operating Pilot Plant in Bryan, TX, which has accumulated over 12,000 hours of steady state operations.

5. On March 10, 2021, the Trustee sought approval of the Bidding Procedures Motion, which had attached the stalking horse asset purchase agreement of Ara EER Holdings, LLC (“**Ara**”).<sup>3</sup>

6. On March 24, 2021, the Court entered an interim order authorizing the Motion (the “**Bidding Procedures Order**”).<sup>4</sup>

7. On April 5, 2021, the Court approved the application to employ and retain CRC (“**Appointment**”), pursuant to which CRC was appointed to act as the exclusive investment banker of the Debtor for the purpose of marketing the Assets for sale as a going concern to qualified prospective bidders.<sup>5</sup>

### **MARKETING THE DEBTOR’S ASSETS**

8. Since March 8, 2021, the date of its executed engagement with the Trustee, CRC has been vigorously pursuing significant efforts to market the Debtor’s Assets as a going concern in order to maximize value and preserve local jobs, for the benefit of the Debtor’s creditors and bankruptcy estate. CRC has undertaken a broad range of activities to market the Assets, including, without limitation, direct email correspondence, telephone conferences, and virtual meetings with prospective bidders.

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<sup>3</sup> ECF No. 205.

<sup>4</sup> ECF No. 229.

<sup>5</sup> ECF No. 245.

9. Immediately after its Appointment, CRC initiated a due diligence process to understand the Debtor's business and assets, organize due diligence materials, and implement CRC's marketing efforts. Working with the Trustee, Trustee's counsel, and the Debtor's financial advisors at Macco Restructuring Group, LLC ("**Macco**"), CRC established a secure electronic data room and populated it with comprehensive information concerning the Debtor's technologies, operations, and market outlook in order to assist prospective bidders with due diligence efforts.

10. In addition, at the direction of CRC and with the support of Macco, the Trustee placed a Bankruptcy Notice that ran in **Biofuels Digest** on or around April 19, 2021, which generated approximately 20 additional inquiries, including several from overseas.

11. As part of its marketing efforts, CRC contacted 264 strategic and financial prospective bidders to solicit interest, distributing 263 Executive Summaries that described the Debtor's operations, scientific merit, and business prospects.

12. CRC also disseminated 247 non-disclosure agreements ("**NDA**s"), executing 16 NDAs with prospective bidders. CRC had 26 calls with potential bidders, and arranged five video conferences with the operating management team.

13. Upon the execution of an NDA, CRC provided the prospective bidders with a detailed management presentation and access to the online data room. The voluminous information contained in the data room pertained to the Debtor's Assets, operations, intellectual property, scientific merit, and key bankruptcy documents.

14. Throughout the marketing, beginning on March 8th and continuing through May 13th, 2021, CRC provided regular written Status Reports concerning these marketing efforts to the Trustee, counsel for Trustee, and Macco.

15. While CRC found a number of parties interested in the Assets and Debtor's technology, we did not uncover anyone whose level of interest met the \$15.5 million stalking horse topping bid by the deadline of May 13, 2021; therefore no Qualified Bid was received, as such term is defined under the Motion.

16. Based upon nearly 40 years of experience in corporate recovery, I believe that the proposed sale of the Assets to Ara was conducted with a broad market test, in good faith, and on an arms-length basis.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 13, 2021

A handwritten signature in black ink, appearing to read "J. Manning", with a stylized, cursive script.

Jeffrey R. Manning  
Managing Director